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Department of Commerce

Division of Public Utilities

FRANCINE GIANI
Executive Director

THOMAS BRADY
Deputy Director

CHRIS PARKER
Director, Division of Public Utilities

MEMORANDUM

To: Public Service Commission

From: Division of Public Utilities
Chris Parker, Director
Energy Section
Artie Powell, Manager
Brenda Salter, Technical Consultant

Date: January 15, 2013

Subject: Audit of Questar DSM Program Expenditures, Docket No. 10-057-18 (Approval)

ISSUE:

Questar Gas Company (Questar or Company) filed on November 10, 2010 an application with the Public Service Commission (Commission) to amortize a balance of \$36,000,000 in the Demand Side Management deferred account. On January 27, 2011, the Division of Public Utilities (Division) issued an audit memorandum to the Commission conditionally approving the Company's application pending further action by the Company. This memorandum is a follow up to the conditional approval memorandum.

RECOMMENDATION (APPROVAL):

The Division recommends approval of Questar's actual DSM program expenditures for the period June 2010 through October 2010.

DISCUSSION:

The audit performed on costs within the June 2010 through October 2010 time period revealed several issues that required Company action. First, costs associated with Wyoming's DSM program were assigned to the Utah DSM program and second, costs for "Get Well Soon" flowers were allocated to the program. The Division conditionally approved the audit pending verification from the Company that these costs be removed from the Utah DSM program. On July 21, 2011 in response to Division data request 2.02 in Docket 11-057-04, the Company provided the verification required to show the costs had been removed from the Utah DSM program. Questar has taken additional steps to ensure that Wyoming DSM costs are not included in Utah's DSM program. Along with a change in reporting processes, a year end review has been implemented to ensure that any incorrect entries to Utah programs are corrected.

CONCLUSION:

The Division recommends approval of Questar's actual DSM program expenditures for the period June 2010 through October 2010 and requests the rate changes in this docket be made final.

Cc: Barrie McKay, Questar Gas Company
 Michele Beck, Office of Consumer Services